

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1721-04
Bill No.: HCS for HB 657
Subject: Auditor, State; State Departments
Type: Original
Date: March 17, 2011

Bill Summary: Requires the auditor to conduct a one-time comparative audit of selected state agencies.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(\$100,000 to \$300,000)		
Total Estimated Net Effect on General Revenue Fund	(\$100,000 to \$300,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Auditor (SAO)** state it is estimated the additional required duties in relation to this proposal would require 2 FTE, one Staff Auditor and one Senior Auditor I if the SAO is to perform these audits. However, the SAO is providing an estimate of the cost to contract this audit out to a CPA firm, assuming additional funding is appropriated for the contracted work. The estimated cost for this contracted work would be between \$100,000 and \$300,000.

Oversight assumes funds would be appropriated for the contract from FY 12 monies although the audits may not be completed until August 28, 2013.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE FUND			
<u>Costs - SAU</u>			
Contract auditing costs	<u>(\$100,000 to \$300,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$100,000 to \$300,000)</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal may impact one small business CPA firm if the State Auditor contracts with the small business to conduct this one-time comparative audit.

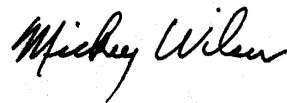
FISCAL DESCRIPTION

This proposal requires the State Auditor to conduct a one-time comparative audit of 5 to 10 of the largest state agencies by August 28, 2013. The Auditor shall issue a report containing recommendations including the optimal fiscal practices to be promoted across all state agencies and other efficiency or cost saving measures.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Auditor

A handwritten signature in black ink, reading "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 17, 2011